

Multi-year summary¹⁾

SEKm	2016	2015	2014	2013 ²⁾	2012 ²⁾	2011	2010	2009	2008	2007
INCOME STATEMENT										
Net sales ³⁾	117,314	115,316	104,054	92,873	89,229	81,337	82,731	109,358	110,449	105,913
Operating profit⁴⁾	11,279	10,947	10,449	9,142	6,426	2,299	7,793	8,190	8,554	10,147
Personal Care	4,255	3,990	3,526	3,519	3,437	2,645	2,922	3,235	2,912	2,960
Tissue	8,155	7,217	6,652	5,724	4,778	3,150	3,041	3,946	2,375	1,724
Packaging	–	–	–	–	–	–	–	413	1,493	2,651
Forest products	2,211	2,605	2,505	1,843	1,363	2,423	2,915	2,503	2,207	2,870
Other operations ⁵⁾	–3,342	–2,865	–2,234	–1,944	–3,152	–5,919	–1,085	–1,907	–433	–58
Financial income ⁶⁾	132	205	217	132	107	129	57	158	246	193
Financial expenses	–1,051	–1,160	–1,178	–1,193	–1,430	–1,454	–1,227	–1,802	–2,563	–2,103
Profit before tax	10,360	9,992	9,488	8,081	5,103	974	6,623	6,546	6,237	8,237
Tax	–4,348	–2,540	–2,420	–2,220	–364	–1,267	–1,755	–1,716	–639	–1,076
Profit for the period from disposal group	–	–	–	–	503	900	724	–	–	–
Profit for the period	6,012	7,452	7,068	5,861	5,242	607	5,592	4,830	5,598	7,161
BALANCE SHEET										
Non-current assets (excl. financial receivables)	122,837	109,839	112,345	106,356	96,516	83,428	105,655	111,745	113,866	104,150
Receivables and inventories	35,797	35,194	34,124	31,077	29,736	25,577	31,890	30,605	36,121	33,793
Non-current assets held for sale	156	120	60	32	1,937	3,379	93	105	102	55
Financial receivables	1,908	1,403	3,140	3,190	3,577	2,083	3,254	2,062	2,499	3,663
Current financial assets	568	774	1,252	536	401	292	220	194	642	366
Cash and cash equivalents	4,482	5,042	3,815	3,785	2,118	2,644	1,866	5,148	5,738	3,023
Assets in disposal group held for sale	–	–	–	–	–	21,601	–	–	–	–
Total assets	165,748	152,372	154,736	144,976	134,285	139,004	142,978	149,859	158,968	145,050
Equity	73,142	70,401	67,622	63,271	59,706	60,752	67,255	67,156	66,450	63,590
Non-controlling interests	6,377	5,290	5,250	4,540	1,993	539	566	750	802	689
Provisions	17,320	13,847	15,295	13,079	14,027	12,651	13,908	13,351	13,292	14,199
Interest-bearing debt	36,717	34,980	39,692	39,305	35,204	37,834	37,297	44,766	52,886	42,323
Operating and other non-interest bearing liabilities	32,192	27,854	26,877	24,781	23,355	19,627	23,952	23,836	25,538	24,249
Liabilities in disposal group held for sale	–	–	–	–	–	7,601	–	–	–	–
Total liabilities and equity	165,748	152,372	154,736	144,976	134,285	139,004	142,978	149,859	158,968	145,050
Capital employed ⁷⁾	111,980	108,549	105,409	95,349	87,059	83,374	84,664	112,264	105,955	96,368
Net debt, incl. pension liabilities	–35,361	–29,478	–35,947	–33,919	–33,063	–36,648	–34,406	–40,430	–47,002	–37,368
CASH FLOW STATEMENT										
Operating cash flow	14,948	12,921	11,184	8,893	9,927	7,418	8,725	14,133	7,813	8,127
Cash flow from current operations	10,382	9,890	8,149	6,252	7,441	5,306	6,490	11,490	3,810	4,508
Cash flow before dividend	9	7,001	6,031	574	8,279	2,671	5,049	8,483	77	1,473
Current capital expenditures	–5,181	–4,162	–3,737	–3,489	–3,272	–3,250	–3,017	–4,037	–5,353	–5,165
Strategic capital expenditures, non-current assets	–4,264	–3,125	–1,816	–1,906	–1,971	–1,637	–2,254	–3,031	–3,109	–1,342
Company acquisitions	–6,598	–93	–508	–5,488	–14,873	–983	–484	–51	–1,764	–4,545
Divestments	489	329	206	1,716	17,682	–15	1,297	75	1,140	2,852
KEY FIGURES⁸⁾										
Equity/assets ratio, %	44	46	44	44	44	44	47	45	42	44
Interest coverage, multiple	12.3	11.5	10.9	8.6	4.9	1.7	6.7	5.0	3.7	5.3
Debt payment capacity, incl. pension liabilities, %	40	47	39	38	38	36	35	31	26	35
Debt/equity ratio, incl. pension liabilities	0.44	0.39	0.49	0.50	0.54	0.60	0.51	0.60	0.70	0.58
Debt/equity ratio, excl. pension liabilities	0.39	0.36	0.42	0.47	0.47	0.52	0.48	0.55	0.66	0.58
Return on capital employed, %	10	10	10	10	8	4	8	7	8	11
Return on capital employed, excl. items affecting comparability, %	13	12	11	11	10	9	9	9	8	10
Return on equity, %	8	10	10	9	9	1	8	7	9	12
Operating margin, %	10	9	10	10	7	3	9	7	8	10
Operating margin, excl. items affecting comparability, %	12	11	11	11	10	10	10	9	8	9
Net margin, % ⁹⁾	5	7	7	6	5	0	6	4	5	7
Capital turnover rate, multiple	1.05	1.06	0.99	0.97	1.02	0.98	0.98	0.97	1.04	1.10
Operating cash flow per share, SEK	14.78	14.08	11.60	8.90	10.59	7.55	9.24	16.36	5.42	6.42
Earnings per share, SEK	7.93	9.97	9.40	7.90	7.06	0.78	7.90	6.78	7.94	10.16
Dividend per share, SEK ¹⁰⁾	6.00	5.75	5.25	4.75	4.50	4.20	4.00	3.70	3.50	4.40

¹⁾ Up to 2009 including packaging operations, which were divested in June 2012.

²⁾ 2012 and 2013 restated in accordance with IFRS 10 and 11.

³⁾ Net sales for SCA's recycling business were reclassified to other income, with retroactive adjustment for 2009.

⁴⁾ 2015 includes the sale of securities, SEK 970m.

⁵⁾ 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2007 include items affecting comparability of SEK –2,710m, SEK –2,067m, SEK –1,400m, SEK –1,239m, SEK –2,614m, SEK –5,439m, SEK –702m, SEK –1,458m and SEK 300m.

⁶⁾ 2015 does not include the sale of securities, SEK 970m.

⁷⁾ Calculation of average capital employed is based on five measurements.

⁸⁾ Key figures are defined on page 144.

⁹⁾ Net margin for 2012 excludes profit for the period from disposal group.

¹⁰⁾ Dividend for 2016 relates to the proposed dividend.

Comments to the multi-year summary

Income statement

Net sales

In 2008, sales increased 4%. SCA's European packaging operations were reclassified to Disposal group held for sale with retroactive adjustment from 2010. Sales declined 24% in 2010 mainly due to the reclassification of the European packaging operations, but also to negative exchange rate effects and the divestment of the Asian packaging operations. A number of strategic acquisitions and divestments were carried out in 2012, including the acquisition of Georgia-Pacific's European tissue operations and the divestment of SCA's European packaging operations. Net sales for 2012 rose 5%. In 2013, SCA divested its publication paper mill in Laakirchen, Austria, as well as the areas of Georgia-Pacific's European tissue operations which the European Commission ordered SCA to divest in conjunction with the acquisition in 2012. Net sales increased 4%. The Chinese tissue company Vinda was consolidated as of 2014, with retroactive effect for 2012 and 2013. Net sales rose 12% in 2014. In 2015, net sales increased 11%, of which organic sales growth accounted for 5%. In 2016, the North American tissue company Wausau Paper Corp. was acquired and net sales rose 2%, of which organic growth accounted for 2%.

Operating profit

Earnings for Personal Care were stable in 2008 to subsequently increase 11% in 2009. Profit declined in 2010. Operating profit for 2011 declined 5% excluding exchange rate effects compared with the preceding year. Higher volumes, prices and cost savings did not offset higher costs for raw materials. In 2012, operating profit rose 20% compared with the preceding year. The earnings improvement was attributable to higher volumes and prices, an improved product mix, lower raw material costs and cost savings. In 2013, profit increased 1%. Earnings were impacted positively by higher volumes, cost savings and acquisitions. Investments in increased market activity resulted in higher volumes, but impacted earnings, particularly in the area of baby diapers. Increased raw material costs and negative exchange rate effects had an adverse impact on profit. Operating profit for 2014 was in line with the preceding year. Higher volumes, an improved price/mix and cost savings had a positive impact on earnings, while higher raw material costs and investments in market activity had an adverse impact on earnings. In 2015, operating profit increased 13%, with higher

volumes and an improved price/mix offsetting higher raw material costs and increased investments in market activities. In 2016, profit increased 7%, due primarily to higher volumes and a better price/mix. Negative exchange rate effects from the GBP and the MXN negatively impacted earnings.

In 2010, profit declined for Tissue compared with the preceding year, due to a sharp increase in costs for raw materials. Operating profit for 2011 increased 4% compared with the preceding year. In 2012, operating profit rose 47%. Higher prices, an improved product mix, increased volumes, acquisitions, lower raw material costs and cost savings contributed to the improvement in earnings. Earnings for 2013 increased 21% compared with the preceding year. The improvement in earnings was due to acquisitions, increased volumes and cost savings. In 2014, operating profit rose 16% as a result of higher volumes, an improved price/mix, cost savings and the acquisition of the Chinese company Vinda. In 2015, operating profit rose 8%. Higher volumes, an improved price/mix and cost savings compensated for the higher costs for raw materials, which were primarily the result of the stronger USD. Profit for 2016 increased 13 percent due to an improved price/mix, higher volumes, cost savings, lower raw material and energy costs and the acquisition of Wausau Paper Corp.

Operating profit for Packaging declined in 2008 due to the financial crisis and the ensuing recession. The recession continued in 2009 and the result from Packaging declined 72%. The Asian packaging operations were divested in 2010. In 2012, the European packaging operations were divested and reclassified to Disposal group held for sale with retroactive adjustment from 2010.

In 2008, profit for Forest Products declined due to increased energy and raw material costs. In 2009, profit improved, primarily for publication papers, an area in which higher prices, lower raw material costs and efficiency enhancements made a positive contribution. Profit increased 16% in 2010 due to productivity improvements and implemented price increases in pulp and solid-wood products. Profit declined in 2011, primarily as a result of higher costs for raw materials and negative exchange rate effects. In 2012, operating profit declined, mainly due to lower prices and negative exchange rate effects due to the stronger SEK. The Austrian publication paper mill in Laakirchen was divested in 2013. Profit increased 35% due to cost savings, lower raw material costs and

profit from forest swaps. In 2014, profit rose 36% as a result of higher prices (including exchange rate effects), increased volumes, lower energy costs and cost savings. In 2015, profit increased 4%, 17% excluding profit from forest swaps. Profit for 2016 declined 15%, mainly due to lower prices for solid-wood products, pulp and kraftliner.

Cash flow statement

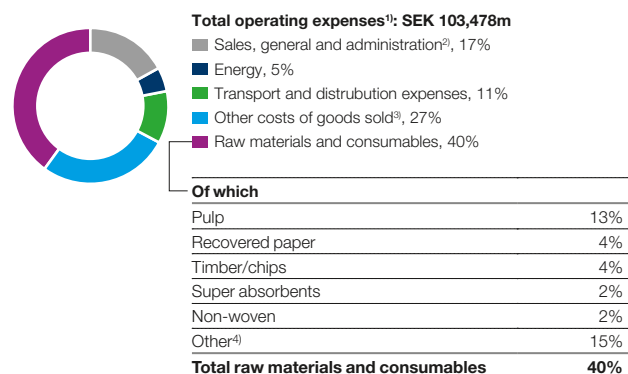
A total of SEK 60bn has been invested in expansion during the reported ten-year period, of which SEK 35bn is attributable to company acquisitions. Maintenance investments amounted to SEK 41bn and have remained at a steady level of about 4% in relation to sales.

Key figures

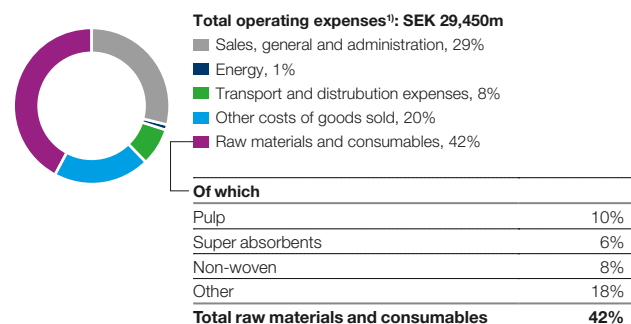
During the reporting period, the Group's dividend rose from SEK 4.40 to the proposed SEK 6.00, corresponding to an average annual increase of approximately 4.1%. The proposed dividend of SEK 6.00 per share corresponds to an increase of 4.3% compared with the preceding year.

Description of costs

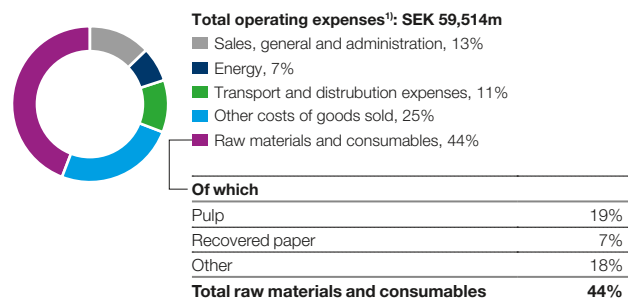
SCA Group



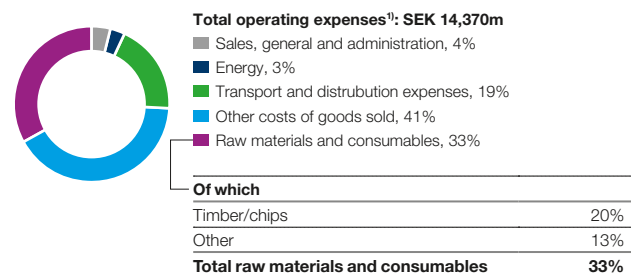
Personal Care



Tissue



Forest Products



¹⁾ Excluding items affecting comparability.

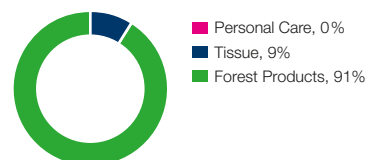
²⁾ Sales, general and administration include costs for marketing (5 percentage points).

³⁾ The two largest items in Other costs of goods sold comprise personnel (12 percentage points) and depreciation/amortization (5 percentage points).

⁴⁾ The item Other in Raw materials and consumables includes costs for chemicals, packaging material and plastic material.

Raw materials, energy and transport activities

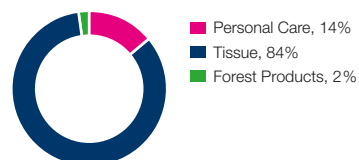
Timber and chips consumption



Total of 10.8 million cubic meters

of which, 48% comprises timber from own forests and chips from own sawmills and 52% purchased externally

Pulp consumption



Total of 3.1 million tons

SCA's own pulp production corresponded to 23% of pulp consumption

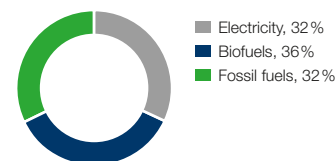
Recovered paper consumption



Total of 2.6 million tons

of which, 100% purchased externally

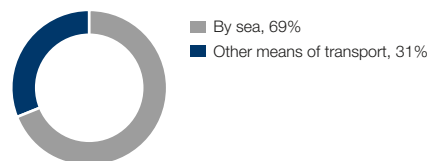
Energy consumption⁵⁾



Total of 24.8 TWh

⁵⁾ Excluding Vinda.

Transport activities⁵⁾



Total of 30 billion ton kilometers

Production plants¹⁾

(Capacity is stated in thousands of tons, unless otherwise indicated, and per year)

Personal Care		Tissue					
Production plant	Country	Production plant	Country	Capacity	Production plant	Country	Capacity
Annaba	Algeria	Ortmann	Austria	132	Sovetsk	Russia	90
Buenos Aires	Argentina	Stembert	Belgium	75	Svetogorsk	Russia	55
Jarinu	Brazil	Santiago	Chile	45	Allo	Spain	160
Hubei	China	Beijing	China	30	La Riba	Spain	26
Zhejiang	China	Hubei	China	180	Valls	Spain	132
Drummondville	Canada	Liaoning	China	55	Lilla Edet	Sweden	100
Caloto	Colombia	Sichuan	China	75	Chesterfield	UK	31
Rio Negro	Colombia	Shangdong	China	110	Manchester	UK	50
San Cristobal	Dominican Republic	Xinhui, Sanjiang	China	440	Oakenholt	UK	68
Lasso	Ecuador	Zhejiang	China	150	Prudhoe	UK	92
Ranjangaon	India	Cajica	Colombia	70	Stubbins	UK	70
Shah Alam 1 & 2	Malaysia	Medellin	Colombia	39	Barton	US	180
Ecatepec	Mexico	Lasso	Ecuador	26	Flagstaff	US	55
Gennep	Netherlands	Nokia	Finland	67	Harrodsburg	US	55
Hoogezand	Netherlands	Gien	France	145	Middletown	US	100
Olawa	Poland	Hondouville	France	60	Menasha	US	211
Veniov	Russia	Kunheim	France	50	South Glens Falls	US	64
Gemerská Hôrka	Slovakia	Le Theil	France	65	Converting plants:		
Valls	Spain	Kostheim	Germany	152	St. Etienne du Rouvray	France	
Falkenberg	Sweden	Mannheim	Germany	283	Ranjangaon	India	
Mölnlycke	Sweden	Neuss	Germany	112	Lucca	Italy	
Kao Hsiung	Taiwan	Witzenhausen	Germany	32	Hlohovec	Slovakia	
Ksibet el Mediouni	Tunisia	Altopascio	Italy	25	Telde	Spain	
Gebze (Istanbul)	Turkey	Collodi	Italy	42	Skelmersdale	UK	
Tuzla (Istanbul)	Turkey	Lucca	Italy	140	Dubai	United Arab Emirates	
Bowling Green	US	Monterrey	Mexico	57	Bellemont	US	
		Sahagun	Mexico	60	Greenwich	US	
		Uruapan	Mexico	38	Neennah	US	
		Cuijk	Netherlands	52			
		Suameer	Netherlands ²⁾	8			
Total							4,354

Forest Products

Production plant	Country	Uncoated paper	Coated paper	Kraftliner	CTMP pulp	Kraft pulp	Total pulp and paper	Solid-wood products 1,000 m ³
Ortviken	Sweden	255	520				775	
Östrand	Sweden				100	430	530	
Munksund	Sweden			415			415	400
Obbola	Sweden			450			450	
Bollsta	Sweden							560
Tunadal	Sweden							540
Rundvik	Sweden							320
Gällö Timber	Sweden							320
Total		255	520	865	100	430	2,170	2,140

¹⁾ As of December 31, 2016.

²⁾ Non-woven production.

Definitions and key figures

Capital definitions

Capital employed The Group's and business areas' capital employed is calculated as an average of the balance sheet's total assets, excluding interest-bearing assets and pension assets, less total liabilities, excluding interest-bearing liabilities and pension liabilities.

Equity The equity reported in the consolidated balance sheet consists of taxed equity increased by the equity portion of the Group's untaxed reserves and non-controlling interests. (Deferred tax liability in untaxed reserves has been calculated at a 22.0% rate for Swedish companies and at the applicable tax rate for foreign companies in each country outside Sweden).

Net debt The sum of consolidated interest-bearing liabilities, including pension liabilities and accrued interest less cash and cash equivalents and interest-bearing current and non-current receivables and capital investment shares.

Equity per share Equity in relation to the total number of registered shares.

Financial measurements

Equity/assets ratio Equity expressed as a percentage of total assets.

Debt/equity ratio Expressed as net debt in relation to equity.

Interest coverage ratio Calculated according to the net method where operating profit is divided by financial items.

Cash earnings Calculated as profit before tax, with a reversal of depreciation and impairment of tangible and intangible assets, share of profits of associates, and nonrecurring items, reduced by tax payments.

Debt payment capacity Expressed as cash earnings in relation to average net debt.

Operating surplus Expressed as operating profit before depreciation/impairment of property, plant and equipment and intangible assets and share of profits of associates.

Operating cash flow The sum of operating cash surplus and change in working capital, with deductions for current capital expenditures in tangible assets, and restructuring costs.

Cash flow from current operations Operating cash flow less net financial items and tax payments and taking into account other financial cash flow.

Strategic capital expenditure in plant and equipment Strategic investments increase the company's future cash flow to expand facilities, or new technologies that boost SCA's competitiveness.

Current capital expenditure Investments to maintain competitiveness, such as maintenance, rationalization and replacement measures or investments of an environmental nature.

Organic sales growth Sales growth excluding exchange rate effects, acquisitions and divestments.

Margins, etc.

Operating surplus margin Operating surplus as a percentage of net sales for the year.

Operating margin Operating profit as a percentage of net sales for the year.

Net margin Profit for the year as a percentage of net sales for the year.

Capital turnover Net sales for the year divided by average capital employed.

Profitability ratios

Return on capital employed Accumulated return on capital employed is calculated as 12-month rolling operating profit as a percentage of average capital employed for the five most recent quarters. The corresponding key figure for a single quarter is calculated as operating profit for the quarter multiplied by four as a percentage of average capital employed for the two most recent quarters.

Return on equity Return on equity is calculated for the Group as profit for the year as a percentage of average equity.

Other measurements

Value added per employee Operating profit plus salaries, wages and payroll expenses divided by the average number of employees.

For additional definitions, refer to Note A2 Use of non-IFRS (International Financial Reporting Standards) performance measures on pages 91–94.

Glossary

CTMP (Chemical thermo mechanical pulp) A high-yield pulp produced through heating and mechanical defibration in a refiner of preheated, chemically pretreated softwood.

FSC® (Forest Stewardship Council) An international organization working to ensure responsible forest management. The FSC has developed principles for responsible forestry that can be applied for certifying forest management and that facilitate FSC labeling of wood products from FSC-certified forests.

Kraftliner The surface layer of corrugated board based on fresh wood fiber.

LWC paper (Light Weight Coated) LWC paper is a coated paper with a high mechanical pulp content. Used for high-quality magazines and advertising materials with demanding color-printing requirements.

Consumer tissue Includes toilet and household towels, facial tissues and handkerchiefs.

AfH (Away-from-Home) tissue Tissue sold to bulk consumers such as hospitals, restaurants, hotels, offices and industrial premises.

M³s or m³sub Solid cubic meter under bark. Specifies the volume of timber excluding bark and tops. Used in felling and the timber trade.

M³fo Forest cubic meter. Volume of timber including tops and bark, but excluding branches. Used to describe the forest portfolio of standing timber. Growth is also specified in forest cubic meters.

PEFC™ (Programme for the Endorsement of Forest Certification) An international forest certification system.

Personal care products Here defined as incontinence products, baby diapers and feminine care products.

Productive forest land Land with a productive capacity that exceeds one cubic meter of forest per hectare annually.

Kraft pulp Pulp from wood fiber that is chemically treated usually by boiling.

Super absorbents Collective name of a number of synthetic absorbent materials based on polymers. Important material in personal care products such as diapers and pads.

Solid-wood products Wood sawn into various sizes used in, for example, furniture manufacturing and the joinery industry or as construction timber.

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Awards and memberships



SCA's initiatives and results have gained recognition. We are included in a number of sustainability indexes and have received several prestigious awards.

SCA plays an active role in leading organizations at the global, regional and local levels with the aim of contributing to a sustainable future for companies, society and the environment.

WWF Environmental
Paper Index



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responsible forestry
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